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August 19, 2011

Bill Schwandt Moorhead Public Service 500 Center Ave. PO Box 779 Moorhead, MN 56561

Tim Magnusson Clay County Planning and Zoning Clay County Courthouse – 3rd Floor 807 11th St. North Moorhead, MN 56560

Re: Local Review of Moorhead Public Service 115 kV Transmission Line and Substation Project Commission Docket Number: E275/LR-11-689

Dear Mr. Schwandt and Mr. Magnusson,

Greetings. This letter confirms that the Minnesota Public Utilities Commission (Commission) has received notification that Moorhead Public Service (MPS) intends to seek local review to construct a new 7.5-mile long 115 kilovolt (kV) transmission line and associated substation ("Opportunity Substation"). The project would be located in Clay County and in the city of Moorhead, Minn.

Under the Power Plant Siting Act, a permit from the Commission is required for transmission line projects over 100 kV (Minn. Stat. § 216E). However, local review and permitting is possible for eligible projects (Minn. Stat. § 216E.05). For such projects, a utility may apply to a local unit of government instead of the Commission for a permit to build the project. This letter confirms that MPS's proposed project is eligible for local review.

Based on the proposed location of the project, Clay County and the city of Moorhead are the local units of government with jurisdiction to permit the project. MPS has indicated that it will be seeking a conditional use permit from Clay County for that portion of the project in the county. A local unit of government may relinquish its permitting jurisdiction by requesting that the Commission assume jurisdiction within 60 days of the filing of an application with the local unit of government (Minn. Rules 7850.5300, Subp. 4).

An environmental review process, including the development of an environmental assessment (EA), must be conducted by a local unit of government with jurisdiction over the project (Minn. Rules

7850.5300). MPS has indicated that Clay County and the city of Moorhead are in agreement that Clay County will be responsible for the environmental review process for MPS's proposed project.

Specific requirements with regard to the environmental review process include (Minn. Rules 7850.5300, Subp. 5):

- (1) Providing an opportunity for the public to participate in the development of the scope of the environmental assessment before it is prepared,
- (2) Publishing notice in the EQB Monitor when the assessment is available for review and the procedure for commenting on the assessment, and
- (3) Withholding a final decision on the project until at least ten days after the notice appears in the EQB Monitor.

Clay County must also provide a copy of the environmental assessment to the Commission when it is completed (Minn. Rules 7850.5300, Subp. 5). Electronic filing (eFiling) of the environmental assessment is encouraged (https://www.edockets.state.mn.us/EFiling).

This letter confirms that MPS has sent the required notice to those persons on the Commission's general notification list that a permit has been applied for from a local unit of government (Minn. Rules 7850.5300, Subp. 3).

Please contact me with any questions.

Sincerely,

Ray Kirsch

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651-296-7588

cc: Burl Haar, Commission

Bob Cupit, Commission

Michael Redlinger, city of Moorhead

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